

BROAD AGENCY ANNOUNCEMENT

OFFICE OF THE TREASURER OF STATE DEPARTMENT OF STATE POLICE PENSION ADVISORY BOARD

Solicitation for
INVESTMENT MANAGEMENT SERVICES
to the
Indiana State Police Pension Trust

Proposal Due Date: December 30, 2004

BROAD AGENCY ANNOUNCEMENT

This is a Broad Agency Announcement (BAA) issued by the Treasurer of State of Indiana (Treasurer), Department of State Police (Department) and the Pension Advisory Board (Board), with the assistance of the investment consultant, Capital Cities, L.L.C., soliciting expressions of interest from all offerors interested in providing investment management services to the Indiana State Police Pension Trust (Trust).

This BAA is intended to publicize the availability of contracting opportunities for services described herein. This is not an Invitation for Bid, nor is it a Request for Proposal under Indiana Code (IC) 4-13.4-5 et seq. The Treasurer, the Department and the Board create no obligation, expressed or implied, by issuing this BAA or by receipt of any responses submitted pursuant hereto. The award of any contract(s) or agreement(s) as a result of this BAA shall be at the discretion of the Treasurer, Department and Board. Multiple contracts may be awarded to obtain all the necessary services. Neither this BAA nor any proposal submitted in response hereto is to be considered as a legal offer.

CONFIDENTIAL INFORMATION

Potential responders are advised that materials contained in proposals are subject to the Indiana Public Records Act (IPRA), IC 5-14-3 et seq., and, after the award of the contract(s), may be viewed and/or copied by any member of the public, including news agencies and competitors. Potential responders claiming a statutory exception to the IPRA must clearly mark "Confidential" on their electronic submission and must indicate under separate cover, also submitted electronically, that confidential materials are included and specify which statutory exception provision applies. The Treasurer, Department and Board reserve the right to make determinations of confidentiality. If the Treasurer, Department and Board do not agree that the information so designated is, in fact, confidential under one of the disclosure exceptions to the IPRA, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the offeror. If the agreement can be reached, the proposal will be considered. If agreement cannot be

reached, the Treasurer, Department and Board will remove the proposal from consideration for award and return the proposal to the offeror. The price or compensation arrangement included in a proposal will not be considered by the Treasurer, Department and Board to be confidential.

PROPOSALS

Firms interested in providing these services to the Trust should submit their response by e-mail to Capital Cities at response@capcities.net.

To be considered, firms responding must indicate that they are doing so, by notifying Capital Cities at response@capcities.net with the e-mail address of the key contact responsible for submitting the response on or before December 17, 2004.

Proposals must be received no later than 2:00 PM EST, on December 30, 2004. Proposals received after 2:00 PM, as indicated by the electronic time/date stamp of Capital Cities' mail server, shall not be considered. The subject of the response should be titled:

“RESPONSE TO ISPPT BAA LARGE CAP GROWTH EQUITY SEARCH”

No more than one (1) response per firm shall be submitted. Each proposal shall designate one person as the principal contact for the responding firm.

Any questions regarding this BAA must be submitted by email only to response@capcities.net no later than 2:00 PM EST, on December 20, 2004. Responses to all questions will be prepared in writing. A copy of each question and answer will be provided to each entity, by email, to the designated principal contact responsible for submitting the response.

ALL INQUIRIES MUST BE SUBMITTED AS DESCRIBED ABOVE. ANY DIRECT SOLICITATIONS OF THE TREASURER, DEPARTMENT, BOARD MEMBER OR ANY AGENTS OF THE FOREGOING WILL BE VIEWED UNFAVORABLY AND MAY DISQUALIFY BIDDER FROM FURTHER CONSIDERATION FOR A CONTRACT AS A RESULT OF THIS BAA.

MINIMUM QUALIFICATIONS AND SCOPE OF WORK

The Trust is seeking an investment manager for the following domestic equity style:

1. Large Cap Growth

Approximately \$20,000,000 is allocated to the Large Cap Growth style. The Large Cap Growth manager should have an approach managed against the S&P/Barra Growth Index or Russell 1000 Growth Index.

All manager types including banks, insurance companies and registered investment advisors will be considered. Separate account management is preferred, however, commingled funds will be considered. Candidates should be able to demonstrate that they manage significant assets (\$250 million or more) in the area for which it competes. Organizations with less than \$250 million in the area for which it competes will be considered on a case-by-case basis. Additionally, it is desirable that the key decision makers will have worked together for a minimum of five years.

DOMESTIC LARGE CAP GROWTH EQUITY INVESTMENT MANAGEMENT SERVICES QUESTIONNAIRE

Each service provider to the Trust shall be required to sign a statement of receipt and agree to abide by the terms of the Investment Policy Statement governing the Trust.

Responses must be in chronological order of the questionnaire. Each response must be referenced by number to the underlying question. Please do not include any pre-printed marketing material.

Please be succinct in your answers. Thank you for the time you and your organization will expend in responding.

I. IDENTITY, FIRM and ADDRESS of PRINCIPALS

- ✍ A. Name of firm(s).
- ✍ B. Name, address, telephone numbers and email address of key contact.
- ✍ C. Please provide a brief history of the firm.
- ✍ D. Is your firm: (1) Independently owned and operated; (2) Limited or master partnership; (3) Part of a publicly traded company; (4) Affiliated with an insurance company; (5) Affiliated with a bank; or, (6) Affiliated with a brokerage firm?
- ✍ E. Have any lawsuits or regulatory actions been taken against the firm, its executives or its principals in the last three years?
- ✍ F. Does your firm legally qualify as a minority-owned or majority women-owned firm?
- ✍ G. Does your firm or parent firm have an interest in a securities brokerage firm?
- ✍ H. Does your firm have E&O Insurance? If yes, please provide the amount of coverage.

- ✍ I. Is your firm AIMR compliant? If yes, provide the level and date of compliance.
- ✍ J. Provide the name of the external accounting firm auditing your firm's performance composites.

II. **BUSINESS FOCUS**

- ✍ A. Provide the total assets managed by the firm within the following account types. Where separate account is indicated provide the total for both separate accounts and commingled trust vehicles. Provide the number of accounts and assets gained and lost for each of the last three calendar years and YTD ending 09/30/2004.

YR	Account Type	# Acts.	Assets \$(mm)	Gained \$(mm)	Lost \$(mm)
09/04	Mutual Fund				
09/04	Non US Sep Act.				
09/04	US Tax-exempt Sep Act.				
09/04	US Taxable Sep Act.				
12/03	Mutual Fund				
12/03	Non US Sep Act.				
12/03	US Tax-exempt Sep Act.				
12/03	US Taxable Sep Act.				
12/02	Mutual Fund				
12/02	Non US Sep Act.				
12/02	US Tax-exempt Sep Act.				
12/02	US Taxable Sep Act.				
12/01	Mutual Fund				
12/01	Non US Sep Act.				
12/01	US Tax-exempt Sep Act.				
12/01	US Taxable Sep Act.				

- ✍ B. Breakdown the total U.S. based tax-exempt assets from separate accounts and commingled trust funds (do not include mutual fund assets) within the following asset classes as of 09/30/04. The total should equal the number of accounts and assets provided in the US Tax-exempt Sep. Act. response in the previous question.

Asset Class	# of Acts.	Assets \$(mm)
Domestic Balanced		
Domestic Equity		
Domestic Fixed Income		
Real Estate		
International/Global Balanced		

International/Global Equity		
International/Global Fixed Income		
Alternative/Derivative Investments		

- ✍ C. Breakdown the total U.S. based tax-exempt assets from separate account and commingled trust funds (do not include mutual fund assets) within the following client types as of 09/30/04. The total should equal the number of accounts and assets provided in the US Tax-exempt Sep. Act. response in question A above.

Client Type	# Acts.	Assets \$(mm)
Corporate		
Endowment/Foundation		
Multi Employer		
Public		
Other		

III. SECURITY SELECTION – For the domestic large cap growth equity style for which you desire to be considered please provide the following:

- ✍ A. Provide the product name and inception date.
- ✍ B. Please provide a brief biography of each person responsible for making decisions regarding this product. Include educational background, industry experience, tenure with firm, tenure with product, and a description of their roles and responsibilities.
- ✍ C. Please describe the decision-making process that is used in managing assets for this product. Are decisions made by a committee, or does each portfolio manager have independent discretion over the assets?
- ✍ D. Briefly describe your investment process as it relates to each of the following:

Investment Philosophy:

Sector Selection:

Portfolio Construction:

Research Process:

Sell Discipline:

- ✍ E. What portion of your research is generated in-house versus purchased from other sources?
- ✍ F. Please describe the process you would go through in selecting securities for our portfolio. Explain the logic behind the strategy. What is the evidence this strategy has been successful in the past?
- ✍ G. Given the current economic environment, what specific portfolio strategy changes have been made recently? Are any changes contemplated in the near future?
- ✍ H. During what type of markets does your product tend perform well (i.e. have positive alpha)? In what type of markets does your product tend to lag (i.e. have negative alpha)?
- ✍ I. What is your average annual turnover of securities for a portfolio our size?
- ✍ J. Does your strategy employ any size or allocation constraints pertaining to industry, sector, or individual security? If so, please describe.
- ✍ K. Will you hold cash or bonds in our portfolio? If so, what is the maximum you will hold? What is the average percentage held in a portfolio of our size over the past year?
- ✍ L. Provide the 09/30/04, minimum, maximum and average weights (over the past year) of the following domestic equity sectors.

Sector	09/04 %	Min %	Max %	Ave %
Communication				
Consumer Cyclical				
Consumer Staples				
Energy				
Financial				
Health Care Services				
Industrial Equip. & Svcs				
Public Utility				
Raw & Int. Materials				
Technology				
Transportation				

- ✍ M. What percentage of your portfolios may be invested in non-traditional securities? (REIT's, ADR's, Convertibles, Non-US \$, Other) Please list the range for each security type.

- ✍ N. Provide the 09/30/04, minimum, maximum and average weights (over the past year) of the following portfolio characteristics.

Characteristic	09/04 %	Min %	Max %	Ave %
Wtd Ave Market Cap				
Percent Large Cap (>10 Bil)				
Percent Mid Cap (1-10 Bil)				
Percent Small Cap (< 1 Bil)				
Price/Earnings Ratio				
Price/Book Value				
Wtd Ave Dividend Yield				
5YR Forecasted Earnings Growth				
5YR Historical Earnings Growth				
Number of Securities				
Annual Percent Turnover				

- ✍ O. List the investment professionals dedicated to this product and the number of employees gained and lost in each category for the product in each of the last three calendar years and YTD ended 09/30/2004.

YR	Job Description	# EE's	EE's Gained	EE's Lost
09/04	Fundamental Analyst			
09/04	Quantitative Analyst			
09/04	Portfolio Manager			
12/03	Fundamental Analyst			
12/03	Quantitative Analyst			
12/03	Portfolio Manager			
12/02	Fundamental Analyst			
12/02	Quantitative Analyst			
12/02	Portfolio Manager			
12/01	Fundamental Analyst			
12/01	Quantitative Analyst			
12/01	Portfolio Manager			

- ✍ P. Provide the total assets under management and the number of accounts in the product within the following account types for each of the last five calendar years and YTD ended 09/30/2004.

YR	Investment Vehicle	# of Accounts	Assets \$(mm)
09/04	Mutual Fund		
09/04	Non US Sep/Com		
09/04	US Tax-exempt Sep/Com		

09/04	US Taxable Sep/Com		
12/03	Mutual Fund		
12/03	Non US Sep/Com		
12/03	US Tax-exempt Sep/Com		
12/03	US Taxable Sep/Com		
12/02	Mutual Fund		
12/02	Non US Sep/Com		
12/02	US Tax-exempt Sep/Com		
12/02	US Taxable Sep/Com		
12/01	Mutual Fund		
12/01	Non US Sep/Com		
12/01	US Tax-exempt Sep/Com		
12/01	US Taxable Sep/Com		
12/00	Mutual Fund		
12/00	Non US Sep/Com		
12/00	US Tax-exempt Sep/Com		
12/00	US Taxable Sep/Com		
12/99	Mutual Fund		
12/99	Non US Sep/Com		
12/99	US Tax-exempt Sep/Com		
12/99	US Taxable Sep/Com		

- ✍ Q. Breakdown the total US based tax-exempt assets as of 09/30/04 by the following investment vehicle type as well as the minimum, median and largest account in the product. The total should equal the number of accounts and assets provided for US Tax-exempt Sep/Com in the previous question.

Vehicle	# Acts.	Assets \$(mm)	Min \$(mm)	Median \$(mm)	Largest \$(mm)
Commingled Trust					
Separate Account					

- ✍ R. Breakdown the US tax-exempt **separate account only** accounts and assets gained and lost for each of the past five calendar years and YTD 09/30/2004 in the product. (Do not include commingled trust or mutual fund accounts and assets)

YR	# of Accts.	Assets \$(mm)	# Acts. Gained	\$ Gained (mm)	# Acts. Lost	\$ Lost (mm)
09/04						
12/03						
12/02						

12/01						
12/00						
12/99						

- ✍ S. Provide the approximate percentage of expected value added versus the benchmark in the following categories. The total should equal 100%. Provide supporting explanations for the alpha sources cited.

Asset Allocation	
Industry/Sector Allocation	
Risk Control	
Security Selection	
Trading	

- ✍ T. What were the last three transactions made, and why did you make them?

IV. PERFORMANCE

- ✍ A. For the equity style under consideration please provide the following information about your performance composite:

- ✍ 1. Number of accounts and assets in composite. If different from the total number of accounts in the product, explain:
- ✍ 2. Are numbers AIMR compliant? Provide the date of AIMR compliance.
- ✍ 3. In the attached Excel spreadsheet, please provide quarterly results for the last 40 calendar quarters or since inception (whichever is shorter). (Gross of fees if separate account product, net of fees if a commingled trust or mutual fund product)

RESPONSE TO THIS QUESTION MUST BE SUBMITTED IN THE EXCEL FILE PROVIDED (i.e. NOT ADOBE ACROBAT OR READ ONLY)

- ✍ B. What benchmark should your performance be compared against?
- ✍ C. For each of the periods listed below provide the dispersion range for your composite results. Please explain any large dispersion.

YR	Min Return	Max Return
09/04		

12/03		
12/02		
12/01		

- ✍ D. Is any portion of the performance record carried over from another firm?
If so, what was the name of the other firm?
- ✍ E. From what date is the current management team responsible for the track record?

V. FEES and OTHER

- ✍ A. Provide your fee schedules for the style under consideration.
- ✍ B. What is your stated minimum account size for the style?
- ✍ C. Are you willing to negotiate your account size minimums and fees listed above?
- ✍ D. Is there anything else you would like us to know about your firm that was not covered in the previous questions? (limit one page)

SELECTION PROCESS AND CRITERIA

All proposals will be reviewed and evaluated based upon the proven ability of the proposer to satisfy the requirements and expectations of the announcement in a cost-effective manner that is in the best interest of the Trust. It is anticipated the mandate(s) shall be awarded during the month of March 2005. Through the selection process, the Treasurer, Department and Board reserve at their discretion the right to: (i) not select any proposal, (ii) select any portions of a particular proposal for further consideration, or (iii) accept a proposal other than the lowest cost proposal.

EQUAL OPPORTUNITY COMMITMENT

It is the public policy of the State of Indiana, at all levels of state government, to promote equal opportunity in employment and in contracting opportunities, and to promote and encourage the participation of minority, small, and other disadvantaged business entities in employment and contracting opportunities involving the State of Indiana as fully as possible. The State of Indiana is, therefore, committed to pursue such avenues in its employment and contracting activities which will further the goals of this public policy. Similarly, a demonstrated commitment consistent with the goals of this public policy by those whom the State of Indiana does business, including those offerors responding to the solicitation, is highly desirable by the State of Indiana.